GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1006
ANSWERED ON:27.07.2001
PLANTATION COMPANIES
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

(a) whether SEBI has finalised the process of attending to grievances of small investors or plantation companies;

(b) if so, whether the SEBI has got back the money of small investors ;

(c) if so, the details ;

(d) if not, the present status of the case ;

(e) the time by which the money siphoned by the plantation companies will be acquired back ;

(f) the status of Adventure Orchard a plantation company ;

(g) whether several investors of Mumbai have lodged complaints with SEBI in this regard ; and

(h) if so, the action taken thereon ?

Answer

MINISTR OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) : The Securities and Exchange Board of India (SEBI) has a mechanism for redressal of investor grievances received by it against listed companies and collective investment scheme.

(b) to (d) : SEBI vide its Press Release dated November 26, 1997 and its public notice dated December 18, 1997 directed existing schemes to file the details of their schemes with it. SEBI receivedinformation from 660 entities, which had reportedly raised Rs.2689.86 crore.

The SEBI (Collective Investment Schemes) Regulations, 1999 were notified on October 15, 1999. Subsequently, a total of 50 entities which had reportedly mobilised about Rs. 492 crore applied for registration.

Orders have been passed under Section 11 B of the SEBI Act, 1992 against 538 entities directing them to refund the money with returns due to investors within a period of one month from the date of the order.

46 entities which had mobilised about Rs.17 crores have submitted reports intimating repayment of about Rs.19 crore to their investors.

Courts have appointed an Administrator / Receiver / Liquidator in respect of 9 entities which had mobilised over Rs.1211 crore.

(e) ; According to SEBI, it is difficult to indicatethe time frame as it would depend upon the legal proceedings before various courts and the liquidation proceedings/other actions by the Department of Company Affairs / respective State Governments.

(f) to (h) ; As per information filed by M/s Adventure Orchards Ltd. with SEBIearlier, it had mobilised Rs. 8.40 crore from investors. Since the entity did not apply for registration in terms of SEBI regulationsand also failed to wind up its schemes to repay its investors, an order under Section 11B of the SEBI Act, 1992 was issued to it directing it to refund the money collected under the scheme (s) with returns due to investors as per the terms of the offer, within a period of one month from the date of the order. Since the entity failed to comply with the said order, SEBI has initiated prosecution proceedings against it in terms of the SEBI Act, 1992.

As on 30.06.2001, a total of 161 investor complaints, including those from Mumbai, are pending against the entity.